

Joint Review Board Meeting Minutes

October 25, 2016

Council Chambers

The meeting was called to order at 5:05 p.m.

Karla McCleary conducted Roll Call of JRB Meeting members:

Raymond P. Rogina	Mayor, City of St. Charles
Victoria Haines	St. Charles Public Library
Cathy Camm	St. Charles Park District
John Arthur Anderson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Mark Armstrong	Kane County
Dr. David Sam	Elgin Community College District #509

Also in attendance:

Dr. Robert Abraham	St. Charles Resident
Myung Sung	St. Charles Library
John McGuirk	Hoscheit, McGuirk, McCracken & Cuscaden P.C.
Mark Koenen	City Administrator, City of St. Charles
Chris Minick	Director of Finance, City of St. Charles
Rita Tungare	Director of Community & Economic Development
Matthew O'Rourke	Economic Development Division Manager
Karla McCleary	Recording Secretary, City of St. Charles

Mr. Anderson made a motion, seconded by Mr. Armstrong, that Dr. Robert Abraham be elected as the "Public Member" for this Joint Review Board. All in favor. Motion passed.

Mr. Anderson made a motion, seconded by Mr. Armstrong, for Raymond P. Rogina to be named Chairperson. All in favor. Motion passed.

The elections of the Chairperson and Public Member were carried over through the remainder of the meetings.

Introductions of City Staff followed.

Mayor Rogina requested a review of the effectiveness and status of the Hotel Baker TIF to date.

Hotel Baker TIF #1

Mr. Minick explained the overall process of the Joint Review Board Meeting to all attendees:

- Providing background about the TIF
- Financial Performance for FYE April 30, 2016
- Forecast Performance for FYE April 30, 2017
- Presentation includes prepared financial statements for the individual funds within each TIF District
- Questions

Mr. Minick reported that the Hotel Baker TIF, District #1, was established on January 6, 1997. There was General Obligation Debt of the City that was issued to assist with financing the rehabilitation of the Baker Hotel. At FYE - April 30th, 2016, there was \$410,000 in principal outstanding on this debt. The final maturity on this debt is December 1, 2016. Even though the bonds will be paid off as of December 1, 2016, the TIF will continue in effect for 3 more years and will expire with the 2018 tax levy which is payable during calendar year 2019. For the year ending 4/30/2016, the TIF had revenues of approximately \$277,700. The debt service expense related to the principal and interest payments were \$393,975 resulting in a deficit of \$133,382. The amount to cover the deficit

was advanced from the City's General Fund and as of 4/30/2016, the City's General Fund had advanced this TIF District \$314,650.

A similar financial result is anticipated for FY 2017 with a slight decline in revenues to approximately \$265,550. There is a final debt service payment of \$415,125. It is anticipated that the subsidy of approximately \$150,000 will be advanced from the City's General Fund and that will result in a general liability to the City's General Fund of approximately \$464,225 at 4/30/2017.

Currently the incremental property tax revenue is approximately \$155,000 on an annual basis. It is anticipated that the 3 years of incremental revenue for the 2016, 2017 and 2018 tax levy years would go to pay the City back for the amount that it has advanced to this TIF.

Mayor Rogina asked if there were any questions or comments regarding this TIF. There were none.

Mayor Rogina requested a motion to adjourn. Mr. Anderson motioned to adjourn, seconded by Mr. Armstrong. All in favor. The meeting was adjourned at 5:10 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

**Joint Review Board Meeting Minutes
October 25, 2016
Council Chambers**

Moline Foundry TIF #2

The meeting was called to order at 5:10 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Dr. Robert Abraham	St. Charles Resident – Public Member
Victoria Haines	St. Charles Public Library
Cathy Camm	St. Charles Park District
John Arthur Anderson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Dr. David Sam	Elgin Community College District # 509
Mark Armstrong	Kane County

Mayor Rogina requested a review of the effectiveness and status of the Moline Foundry TIF to date.

Mr. Minick reported that the Moline Foundry TIF, District #2, was established on July 6, 1998. This TIF expires with the 2019 tax levy payable in calendar year 2020. As of 4/30/2016, there was debt outstanding in the amount of \$635,000. This debt matures on December 1, 2017. There were revenues of \$523,023 and expenditures of \$341,775 generating a surplus of approximately \$181,248. This fund has been generating a surplus of late, however there were many years of deficit during the early part of its life. This TIF has a liability to the City's General Fund for funds advanced of \$617,465 as of 4/30/2016. During FY 2016, the prior year surplus of approximately \$170,000 was applied to reduce that liability. Subsequent to 4/30/2016, the surplus of \$180,000 was transferred to the City's General Fund and has reduced the subsidy. The liability to the General Fund is declining with anticipation of another surplus generated during FY 2017.

For FYE 4/30/2017, revenues anticipated are \$524,400 and \$336,325 in debt service expense. This would result in a surplus of approximately \$188,075 for FY 2017.

Mayor Rogina asked if there were any questions or comments regarding this TIF. There were none.

Mayor Rogina requested a motion to adjourn. Dr. David Sam motioned to adjourn, seconded by Ms. Haines. All in favor. The meeting was adjourned at 5:15 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

**Joint Review Board Meeting Minutes
October 25, 2016
Council Chambers**

Former St. Charles Mall TIF #3

The meeting was called to order at 5:15 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Dr. Robert Abraham	St. Charles Resident – Public Member
Victoria Haines	St. Charles Public Library
Cathy Camm	St. Charles Park District
John Arthur Anderson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Dr. David Sam	Elgin Community College District #509
Mark Armstrong	Kane County

Mayor Rogina requested a review of the effectiveness and status of St. Charles Mall TIF to date.

Mr. Minick reported that the St. Charles Mall TIF, District #3, was established on June 19, 2000. This TIF expires with the 2023 tax levy that will be payable during calendar year 2024. As of 4/30/2016, there was debt outstanding in the amount of \$1,305,000. The debt for this TIF will mature on December 1, 2022. Increment revenues for FY 2016 were \$123,661 with a debt service expense of \$218,250. This resulted in a deficit of just under \$95,000 that was subsidized by the General Fund. This fund has run several years of deficit and has a liability to the City's General Fund of \$1,030,742 as of 4/30/2016.

For FY 2017, similar results are anticipated with approximately \$123,650 in revenues and \$222,050 in debt service, resulting in a deficit of \$98,400. A liability to the City's General Fund, as of 4/30/2017, in the amount of \$1,129,191, is also anticipated.

Mr. Minick stated that this TIF District is currently vacant land, so there is not a lot of incremental revenue generated.

Mayor Rogina asked if there were any questions or comments regarding this TIF. Mr. Chapman asked if there have been any discussions regarding an extension to this piece. Mr. Minick replied that there have been no discussions of an extension.

Mayor Rogina added that there is an application to start the process of a proposed development.

Mayor Rogina requested a motion to adjourn. Ms. Haines motioned to adjourn, seconded by Mr. Anderson. All in favor. The meeting was adjourned at 5:20 p.m.

Raymond R. Rogina, Chairman

Respectfully submitted,
Karla McCleary

Joint Review Board Meeting Minutes
October 25, 2016
Council Chambers
First Street TIF #4

The meeting was called to order at 5:20 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Mr. Robert Abraham	St. Charles Resident – Public Member
Victoria Haines	St. Charles Public Library
Cathy Camm	St. Charles Park District
John Arthur Anderson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Dr. David Sam	Elgin Community College District #509
Mark Armstrong	Kane County

Mayor Rogina requested a review of the effectiveness and status of First Street TIF to date.

Mr. Minick said TIF #4 was established in March of 2002. This TIF expires during levy year 2024 payable in calendar year 2025. The debt was restructured in February 2013 with the final maturity for the debt extended to December 1, 2038. This was done in response to the great recession with development stalling within the boundaries of the First Street TIF. The intent of the refinancing was to lower the short term debt service amounts to provide better cash flow. Also during 2015, the boundaries of TIF 4 were reduced to exclude the undeveloped portions of the original TIF. The undeveloped portions of the original TIF 4 were reconstituted into a new TIF – Central Downtown TIF #7.

The development of the new TIF area has recently reinitiated and fruits of these efforts are now visible along First Street. These will be reflected in the 2017 activity for TIF 7. The remaining area for TIF 4, which was anything west of First Street, will continue to collect its increment and make the debt service payments as originally intended. In addition to the restructuring of the debt that was completed during 2013, a substantial portion of the remaining debt was refinanced and this was completed approximately 30 days ago. This is resulting in interest savings of approximately \$416,600 over the remaining life of the bonds. This is a lower interest cost as compared to the original debt service schedule. However, when the refinancing that was completed most recently, we did not change the term of any of the maturities on any of the debts.

FY2016 had incremental revenues of \$586,433 with expenditures for debt service of \$1,083,173 and that resulted in a deficit of approximately \$504,850. This deficit was covered by the City's General Fund. As of 4/30/2016, the First Street TIF has a liability to the General Fund \$1,659,231. Currently, there is \$25,155,000 in debt outstanding as of 4/30/2016. Mr. Minick added that had the City not under taken the debt restructuring during 2013, the deficit would have been approximately \$1.1 million dollars in this TIF this fiscal year.

The forecast for FY 2017 includes anticipated incremental revenues of \$484,989. The reason for the reduction is the peeling off of the undeveloped portion the amount that is now from TIF 7. Mr. Minick explained that they will now transfer in all of the incremental revenue from TIF 7 and the anticipated amount of this incremental revenue is \$129,710 for FY 2017. \$1,107,700 in debt service expenses is anticipated resulting in a \$493,001 deficit. The liability owed to the City's General Fund is anticipated to be \$2,152,232 as of 4/30/2017.

Mayor Rogina asked if there were any questions or comments.

Ms. Camm asked for clarification that TIF 7 revenues will be transferred to TIF 4. Mr. Minick replied that they are and that is the intent as they speak today.

Mr. Anderson asked for clarification regarding the original expiration date of 2024 but now it is extended to 2038. Mr. Minick stated that the levy is 2024 and the debt is the general obligation debt of the City's. The TIF revenues

were pledged – however if the TIF revenues are not sufficient, the City has to step in and cover any deficit. Mr. Anderson said that it is his understanding that the Hotel Baker TIF expires in 2018 – when does this First Street TIF actually expire. Mr. Minick said TIF 4 expires in 2024 levy year payable during calendar year 2025. This TIF did not get extended – none of them have been extended to date. Mr. Chapman pointed out that last year it was 2026. Mr. Minick said they have clarified with Susan Erickson at the Kane County Clerk’s office, that an incorrect date had been picked up somewhere along the way and it has been corrected this year.

Mayor Rogina asked if there were additional questions. There were none.

Mayor Rogina requested a motion to adjourn. Mr. Anderson motioned to adjourn, seconded by Mr. Armstrong. All in favor. The meeting was adjourned at 5:27 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

**Joint Review Board Meeting Minutes
October 25, 2016
Council Chambers
St. Charles Manufacturing TIF #5**

The meeting was called to order at 5:27 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Dr. Robert Abraham	St. Charles Resident – Public Member
Cathy Camm	St. Charles Park District
Victoria Haines	St. Charles Public Library
John Arthur Anderson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Dr. David Sam	Elgin Community College District #509
Mark Armstrong	Kane County

Mayor Rogina requested a review of the effectiveness and status of St. Charles Manufacturing TIF to date.

Chris Minick reported that the St. Charles Manufacturing or St. Charles Kitchen TIF, District #5, was established on May 5, 2003. This TIF expires during levy year 2026 payable in calendar year 2027. Currently, this TIF has debt outstanding in the amount of \$2,195,000 as of April 30, 2016. That debt matures on December 1, 2023. Revenues generated were \$194,881 as of FY ending April 30, 2016. There were debt service expenditures of \$322,925 resulting in a deficit of approximately \$128,058. This TIF has been underperforming and has had several years of deficits. This TIF has a liability to the General Fund of \$1,451,818 as of April 30, 2016.

Anticipated revenues for FY 2017 are \$190,510 with debt service payments of \$320,875 resulting in an anticipated deficit of approximately \$130,365. The City's General Fund would make up the shortfall resulting in a \$1,582,183 liability to the General Fund as of April 30, 2017.

Mayor Rogina asked if there are any questions or comments regarding this TIF. There were none.

Mayor Rogina requested a motion to adjourn. Mr. Armstrong motioned to adjourn, seconded by Ms. Haines. All in favor. The meeting was adjourned at 5:30 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

Joint Review Board Meeting Minutes
October 25, 2016
Council Chambers
Lexington Club TIF #6

The meeting was called to order at 5:30 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Dr. Robert Abraham	St. Charles Resident – Public Member
Cathy Camm	St. Charles Park District
Victoria Haines	St. Charles Public Library
John Arthur Anderson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Dr. David Sam	Elgin Community College District #509
Mark Armstrong	Kane County

Mayor Rogina requested a review of the effectiveness and status of Lexington Club TIF to date.

Mr. Minick reported that the Lexington Club TIF, established during January of 2013, expires with the 2036 tax levy year, payable during calendar year 2037.

This particular TIF has no debt outstanding - it was established as a pay as you go TIF. There is no general obligation debt of the City outstanding.

For FY 2016, \$4,125 of incremental revenue was generated. No eligible costs have been received from the developer of this property. There are no costs that have been incurred or documented with the City. There is a fund balance of approximately \$8,673 as 4/30/2016. Approximately \$9,000 in additional incremental revenue is estimated for FY 2017. At this time, there are no costs that are anticipated to come in during this timeframe. The development seems to have gone idle at this particular point. Currently, incremental revenue is being received based on any increase to the base value of the property. There is no developed plan at this time and there have been no permits drawn.

Mayor Rogina asked if there were any questions or comments regarding this TIF.

Ms. Haines verified with Mr. Minick that as this TIF is accumulating money, the money is being held in a fund. This money can be held until it is determined that there is no development pending or coming and no contact with any of the developers for several years. At that time, the City Council has the right to declare the TIF void, the fund would be closed out and the funds distributed out according to State law. Theoretically, this could continue up to 23 years.

Mr. Anderson stated that this was originally set up to collect revenue to pay for the remediation that was needed on this property. When there were units to sell, that money would pay for the remediation. Mr. Minick agreed and added other major categories that this money would cover costs of include demolition, site preparation and grading. These are all eligible TIF costs for this particular TIF as this was related to a specific development proposal that the City received. It is Mr. Minick's understanding that the developer was planning on moving forward, however the developer has since determined that this is no longer a financially feasible development and arrangement – at least for the time being.

Mayor Rogina requested a motion to adjourn. Mr. Armstrong motioned to adjourn, seconded by Ms. Haines. All in favor. The meeting was adjourned at 5:35 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

Joint Review Board Meeting Minutes
October 25, 2016
Council Chambers
Central Downtown TIF #7

The meeting was called to order at 5:35 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Dr. Robert Abraham	St. Charles Resident – Public Member
Cathy Camm	St. Charles Park District
Victoria Haines	St. Charles Public Library
John Arthur Anderson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Dr. David Sam	Elgin Community College District #509
Mark Armstrong	Kane County

Mayor Rogina requested a review of the effectiveness and status of Central Downtown TIF to date.

Mr. Minick reported that the Central Downtown TIF, District #7, was established in February, 2015. The incremental revenue will begin with the 2015 levy that will be payable during calendar year 2016. As of 4/30/2016, the City had not received any revenues related to TIF 7 – they are coming in now during FY 2017. This TIF will expire with 2037 tax levy that will be payable during calendar year 2038.

Anticipated incremental revenue for 2017 is \$129,710. This revenue amount will be transferred over to TIF 4 to assist with the debt repayment of the First Street TIF. Currently, this fund is having expenditures related to the parking garage and street scape improvements that were anticipated for phase 3 of the development with the initial First Street TIF.

Mayor Rogina asked if there were any questions or comments regarding this TIF.

Dr. Sam asked if there are big concerns about any of the TIF's. Mr. Minick stated that in terms of all of the development proposals that have been received, the First Street TIF and the St. Charles Kitchen TIF – currently the projections would be for them to end negatively. This would mean that the City would have to advance funding to cover the debt service deficits during the years of the TIF. Presumably at some point, there is the liability that these TIF's could head back to the City's General Fund. To date, there have been no discussions about extending any of the TIF's, however that is an option that the City Council could avail itself of. The other TIF that could end up in a negative position is TIF 3 – former St. Charles Mall TIF – there is a development proposal that is pending on this property. Mayor Rogina stated that a decision should take place in the early part of 2017. Mr. Minick said depending on the timing of the construction and any approvals - if there is a development that occurs on this property, substantial increment would be generated and should be enough to pay off the liability to the City's General Fund.

Mr. Anderson asked if a TIF paid itself off early, would it also end early. Mr. Minick said that would be up to City Council. Mr. Anderson asked if remaining money from a TIF could be used to pay off other TIF's. Mr. Minick replied that under TIF Law, the only money that you can transfer among TIF's are with TIF's that are contiguous. This is the case with TIF 4, the original First Street TIF as well as TIF 7 – the Central Downtown TIF and Hotel Baker, TIF 1. The remaining TIF's do not touch any other TIF's. If there were surplus monies in any of these TIF's, they would be rebated in accordance with TIF Law which calls for them to be distributed out to the various taxing bodies in a pro rata share.

Mayor Rogina requested a motion to adjourn. Mr. Anderson motioned to adjourn, seconded by Ms. Haines. All in favor. The meeting was adjourned at 5:40 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

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